



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

June 30, 2022

MEMORANDUM

TO: Department Heads and Chief Financial Officers
Community College Presidents and Chief Financial Officers
All Occupational Licensing Boards

FROM: Charles Perusse *Charles Perusse*

SUBJECT: Approval of Collection Costs for Civil Penalties, Fines, and Forfeitures

The Office of the State Budget and Management (OSBM) is required by statute ([G.S. 115C-457.2](#)) to approve the percentage of the civil penalties, fines, and forfeitures collected by State agencies, universities, community colleges, boards, and commissions (“agencies”) which can be withheld as collection costs. The percentage is based on the actual collection costs incurred by the agencies for the prior year and cannot exceed 20 percent.

While the process remains much the same as prior years, OSBM will use a [Smartsheet](#) to collect all required information. **All agencies must submit the Smartsheet regardless of whether the agency collects civil penalties, fines, and forfeitures and regardless of whether the agency retains collection costs.** All agencies that collect civil penalties, fines, and forfeitures and retain collection costs must submit a [Collection Cost Worksheet](#) that reflects the actual costs of collecting civil penalties, fines, and forfeitures for FY 2021-22.

No agency may retain collection costs in FY 2022-23 until OSBM has approved the collection costs submission. If agencies plan to retain collections costs in the month of July, the Worksheet must be submitted to OSBM **no later than July 22, 2022.**

The Collection Costs Worksheet is available [online](#). Please complete this worksheet and Smartsheet for all budget codes in which civil penalties, fines, and forfeitures are budgeted. The worksheet includes instructions and an example. Only the Department of Revenue should complete the [DOR Collection Costs Worksheet](#). Appendix 1 provides process chart for completing the [Collection Costs Worksheet](#) and [Smartsheet](#).

OSBM will post updated [collection cost rates online](#) in early August. If you have any questions, please contact OSBM at CollectionCosts@osbm.nc.gov.

Attachments: Collection Costs Worksheet

Appendix 1: Collection Costs Approval Process

